



U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS

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Report On Foreign Holdings of U.S. Securities At End-June 2006

The final results from the annual survey of foreign portfolio holdings of U.S. securities at end-June 2006 are released today and posted on the U.S. Treasury web site at (<http://www.treas.gov/tic/fpis.html>).

The survey was undertaken jointly by the U.S. Treasury, the Federal Reserve Bank of New York, and the Board of Governors of the Federal Reserve System. Surveys are carried out annually, and the next survey will be for end-June 2007.

Complementary surveys measuring U.S. portfolio holdings of foreign securities are also carried out annually. Data from the most recent survey, which reports on foreign securities held by U.S. residents at year-end 2006, are currently being processed. Preliminary results are expected to be reported by September 30, 2007.

Overall Results

The survey measured foreign holdings as of June 30, 2006, of \$7,778 billion; with \$2,430 billion held in U.S. equities, \$4,733 billion in U.S. long-term debt securities (of which \$980 billion were holdings of asset-backed securities (ABS)), and \$615 billion in U.S. short-term debt securities.¹ The previous such survey, conducted as of June 30, 2005, measured foreign holdings of \$6,864 billion; with \$2,144 billion in U.S. equities, \$4,118 billion in U.S. long-term debt securities (of which \$717 billion were holdings of asset-backed securities (ABS)), and \$602 billion in U.S. short-term debt securities.

¹ Figures for 2006 reflect market prices at end-June 2006. Long-term securities have an original term-to-maturity of over one year. Asset-backed securities are backed by pools of assets, such as pools of residential home mortgages or credit card receivables, which give the security owners claims against the cash flows generated by the underlying assets.

Table 1. Foreign holdings of U.S. securities, by type of security, as of recent survey dates

<u>Type of Security</u>	(Billions of dollars)	
	<u>June 30, 2005</u>	<u>June 30, 2006</u>
Long-term Securities	6,262	7,162
Equity	2,144	2,430
Long-term debt	4,118	4,733
Asset-backed	717	980
Other	3,401	3,753
Short-term debt securities	602	615
Total	6,864	7,778
Of which: Official	1,938	2,301

Table 2. Foreign holdings of U.S. securities, by country and type of security, for the major investing countries into the U.S., as of June 30, 2006

	<u>Country or category</u>	<u>Total</u>	<u>Equities</u>	<u>Long-term debt</u>		<u>Short-term debt</u>
				<u>ABS</u>	<u>Other</u>	
1	Japan	1,106	195	121	706	85
2	China, mainland ¹	699	4	122	556	17
3	United Kingdom	640	300	106	218	16
4	Luxembourg	549	193	69	255	32
5	Cayman Islands	485	178	135	142	31
6	Canada	382	274	22	73	13
7	Belgium	331	21	42	263	4
8	Netherlands	280	158	55	58	9
9	Switzerland	262	145	32	76	9
10	Middle East oil-exporters ²	243	111	11	80	41
11	Ireland	232	69	36	62	65
12	Germany	211	73	37	86	16
13	Bermuda	206	60	43	83	20
14	France	164	95	14	42	14
15	Singapore	163	101	7	51	4
16	Taiwan	135	7	25	100	3
17	South Korea	124	1	4	106	13
18	Russia	111	*	*	42	68
19	Hong Kong	110	22	12	65	11
20	Australia	109	64	5	32	8
21	Mexico	98	15	2	60	21
22	Sweden	81	48	4	28	1
23	British Virgin Islands	78	46	1	24	6
24	Norway	75	43	12	16	4
25	Italy	53	29	4	18	2
	Country Unknown	214	*	1	212	1
	Rest of world	637	178	58	299	102
	Total	7,778	2,430	980	3,753	615
	Of which: Official	2,301	215	147	1,635	304

* Greater than zero but less than \$500 million.

1. Excludes Hong Kong and Macau, which are reported separately.

2. Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates.